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CIANESA NESAR 89-023


## Near East and South Asia Review

20 October 1989

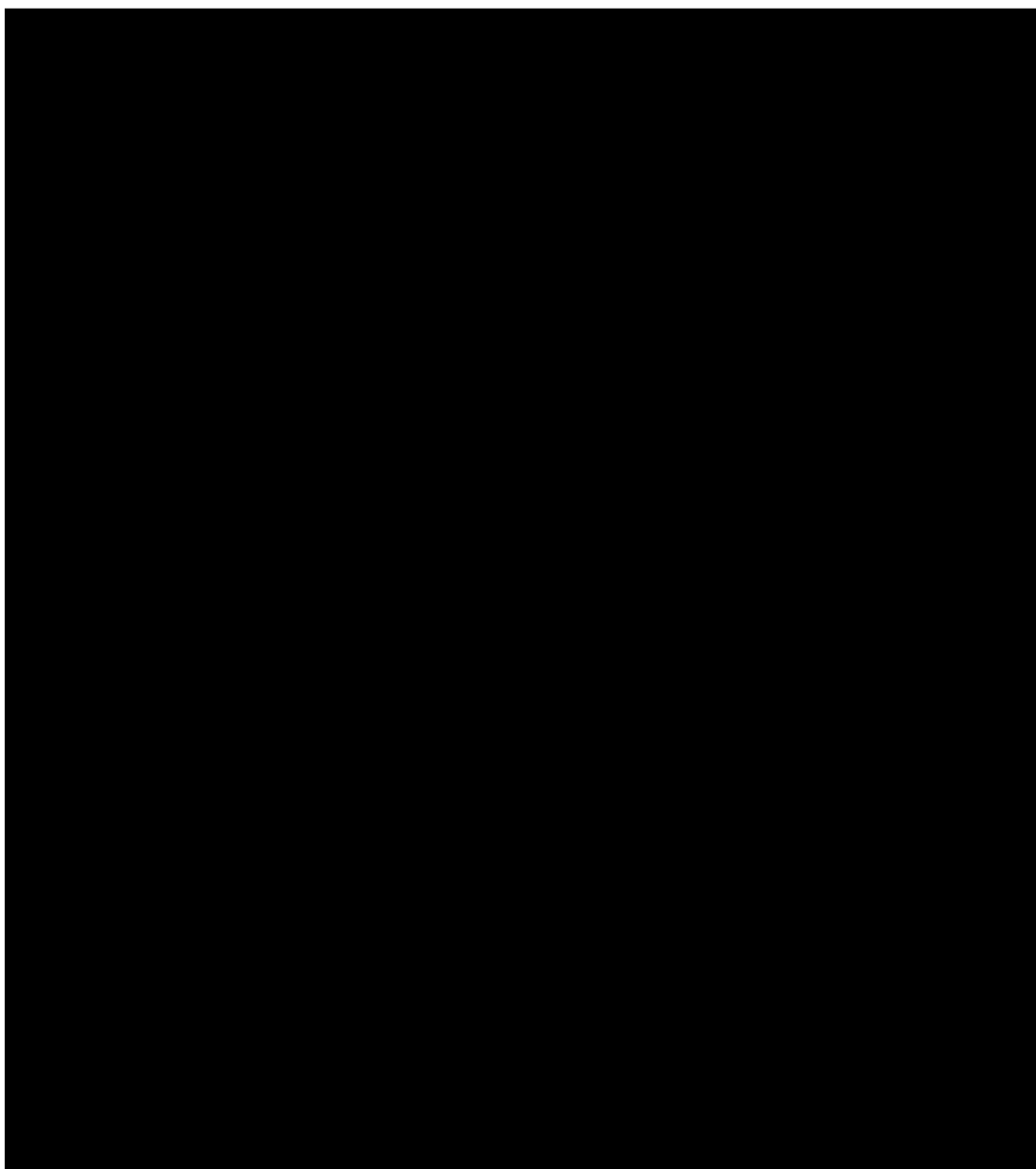
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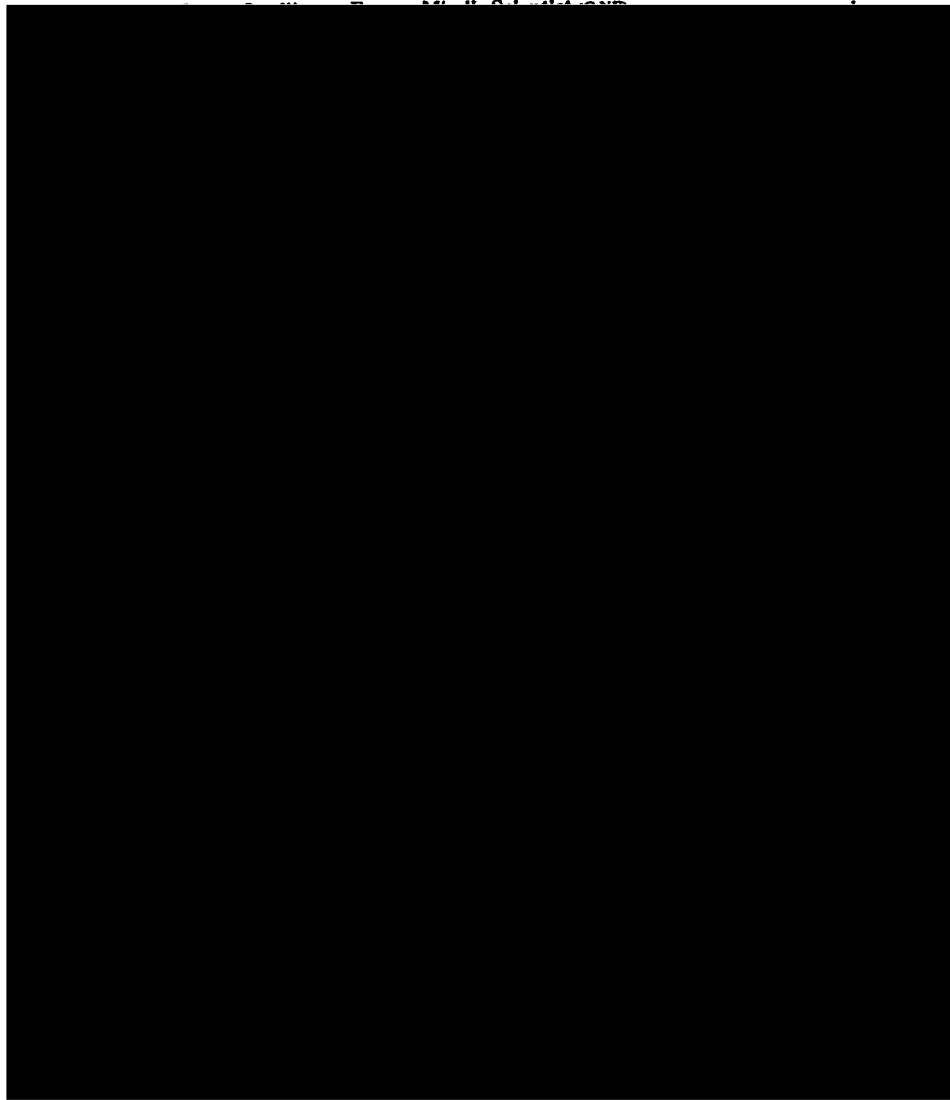
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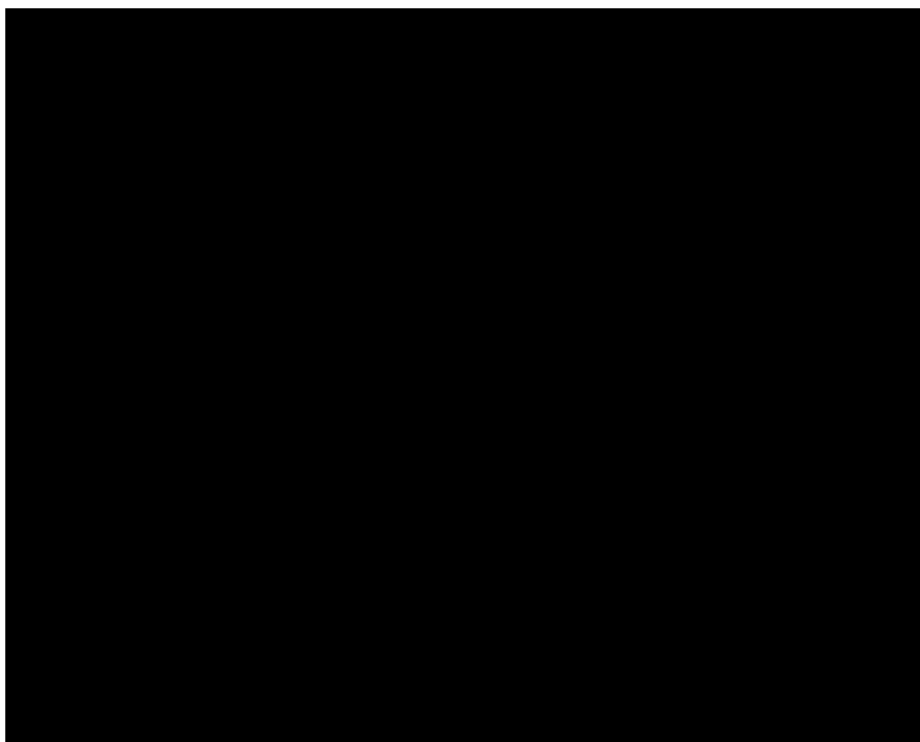
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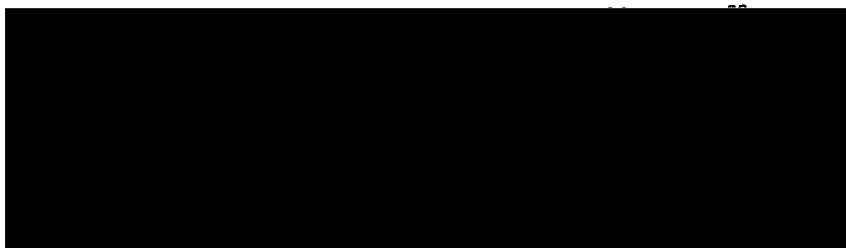
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The India-Nepal Dispute: Opportunity for Nepal's Opposition? [REDACTED] 37

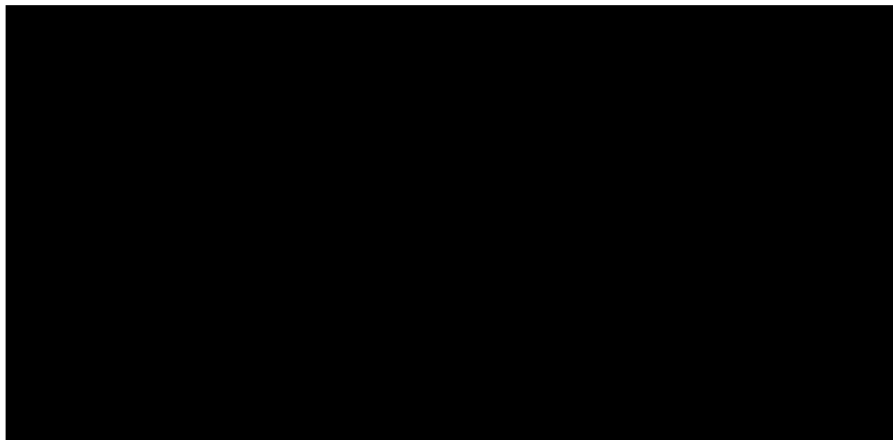
[REDACTED]  
Nepalese opposition groups are striving to turn the government's poor handling of Nepal's trade dispute with India to their political advantage. So far, public response to the activities of the factionalized opposition has been lackluster. [REDACTED]



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### The India-Nepal Dispute: Opportunity for Nepal's Opposition? [REDACTED]

Nepalese opposition groups are striving to turn the government's poor handling of Nepal's trade dispute with India to their advantage.<sup>1</sup> The country's main opposition parties—the Nepalese Congress Party and the numerous Communist factions—have organized demonstrations in part to attack the government for the dispute. The Congress Party and the Communists are working together to try to capitalize on the dispute, but both are faction-ridden and the Congress Party leadership suffers from an acute lack of charisma. [REDACTED]

The opposition probably will not gain much political advantage from the impasse, and the government almost certainly can—and will—quash major opposition activities. Nonetheless, King Birendra will feel pressed to move more quickly to resolve the dispute with India and lessen some of his country's economic hardships if popular discontent builds, particularly in the country's sensitive Terai region. [REDACTED]

#### Background

The Nepalese opposition's traditional role has centered on its criticism of the country's system of government, an issue that has been the main spark of opposition rallies since the dispute with India broke out last March. Birendra rules a constitutional monarchy with a national panchayat, or council. Political parties are banned in the country, and panchayat candidates run independently for office. The Nepalese Congress Party, the country's unofficial non-Communist opposition, functions despite the ban, although police routinely arrest party officials who lead political demonstrations. Congress Party leaders continue to press the King to alter Nepal's partyless system in favor of elections with legal

1 The dispute nominally centers on a trade and transit agreement that expired in March. The heart of the dispute, however, covers several broader issues, including: India's concerns about Kathmandu's treatment of Indian nationals in Nepal; New Delhi's worries about China's ties to Nepal, [REDACTED]

[REDACTED] and King Birendra's desire to assert Nepal's sovereignty and alter the traditionally close Indo-Nepalese relationship. [REDACTED]

political parties and party-backed candidates. The Communist parties also have denounced the partyless system, which Nepalese voters narrowly voted in 1979 to retain in a referendum marred by violence. [REDACTED]

The government's poor handling of its dispute with India has handed the opposition a new opportunity to coalesce around a visceral issue. Critics of the government say that Nepalese officials failed to plan for the economic hardships—particularly the fuel shortages—imposed by the expiration of the trade and transit agreement with New Delhi, according to press reports. Other observers of Nepal say Kathmandu needlessly provoked India's ire and neglected to consider fully the economic repercussions of cutting Nepal's economic lifeline to India. [REDACTED]

#### Opposition Attempts To Capitalize on the Dispute

The Congress Party has tried to capitalize on the dispute by organizing antigovernment demonstrations. Press reports from mid-September indicate that police have arrested party members—estimates range from 900 to the party's figure of 3,000—at rallies designed in part to attack and embarrass the government for the trade dispute. (The rallies also have focused on the Congress Party's longstanding opposition to Nepal's partyless governmental system.) The demonstrators called on the government to provide more basic commodities, such as kerosene, salt, and sugar, that are in short supply as a result of the trade impasse. [REDACTED]

The Congress Party and the Communist factions are cooperating to broaden the antigovernment campaign. [REDACTED]

Several key Communist factions continue to support joint opposition demonstrations, and they plan to participate in another series of rallies [REDACTED]

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set for mid-to-late November, according to press reports. [REDACTED]

Labor activism, too, is sparking popular discontent with the government's handling of the trade dispute. [REDACTED]

#### Pitfalls in the Opposition Effort

Public participation in the opposition's antigovernment activities has been lackluster. The demonstrations have received only lukewarm public support. [REDACTED]

Nepal's political parties have failed to take greater advantage of the trade dispute partly because they are highly factionalized. [REDACTED]

[REDACTED]

The Congress Party's weak leadership and ambivalent attitude have undermined efforts to exploit the dispute. Senior party leaders said last May, soon after the dispute broke out, that they would remain on the sidelines. The officials said they had not supported student demonstrations in April because they feared anarchy. At that time their plan was to allow leftists to lead the agitation. Congress Party leaders have since sponsored demonstrations, but poor public support for the rallies has highlighted the party's limited influence. [REDACTED]

#### Outlook

Nepal's opposition has little chance of reaping great benefits from the antigovernment campaign. For now, the opposition lacks the popular support to capitalize on government miscues. Government vigilance against opposition organizational efforts — such as the government's willingness to shut down universities and arrest opposition leaders — probably also will help stem dissidence. The government probably will not hesitate to clamp down on demonstrations, particularly if rallies turn violent. [REDACTED]

The evolving economic impact of the dispute on Nepal will work to the advantage of the opposition, at least in the semi-industrialized areas of largely rural Nepal. Trade problems with India, Nepal's major export market, already are hurting industry, and fuel shortages are affecting both industry and development projects. [REDACTED]

The government will be particularly sensitive to strikes and popular discontent in the lowland Terai region. The Terai is Nepal's most volatile area. [REDACTED]

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